representatives of the Associations with a view to arriving at an acceptable proposal. There was also a request from the Chief Election Commissioner through his letter dt. 5.10.1998 to the Home Minister who is the Chairman of the Group of Ministers' for addressing the question of grant of new scales; and from the DANICS, in December, 1998. In view of the impending elections also, it got delayed. Then, the formation of the Government took place. I would like to maintain that while considering the matter of pay scales, the Government of India will be taking into account all aspects of the case, including the job content, level of responsibilities, horizontal and vertical relativities of other services, recommendations of the Committee of Secretaries, claims made by various services; and finalisation would be done after considering all these aspects, so that no injustice is done in the matter of pay scales.

SHRI PRANAB MUKHERJEE: What were the factors beyond the control of the Central Government?

SHRIMATI VASUNDHARA RAJE: There was the General Elections. That is the reason for the delay. Those are the factors beyond the control of the Government.

SHRI PRANAB MUKHERJEE: You cannot say, "factors beyond the control of the Government." You could have given elections as the reason.

MR. CHAIRMAN: Question No. 164. Mr. Vayalar Ravi.

Disinvestment in GAIL

*164. SHRI VAYALAR RAVI:†

SHRI K.R. MALKANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have decided to disinvest the shares of the Gas Authority of India Limited (GAIL);

(b) if so, the price fixed for the share and the details thereof;

†The question was actually asked on the floor of the House by Shri Vayalar Ravi.

(c) the reasons for fixing a lower price than previous two years for the share; and

(d) whether Government had refused an earlier foreign offer of Rs. 115 per share?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) Yes, Sir.

(b) 13.5 crore shares of face value of Rs. 10 per share of Gas Authority of India Limited (GAIL) held by Government have been sold in the Global Depository Receipt (GDR) market, at a market driven price of Rs. 70 per share, which emerged from "Book Building" exercise.

(c) As the price of shares often fluctuate, there can be no linkage between price quoted by the bidders, two years ago, in 1997 and the market driven price ascertained in 1999.

(d) Yes, Sir. In 1997 the Book Building process was .followed to ascertain the share price of GAIL in GDR market. There were no quotes for the price of Rs. 115/- per share. However, price of Rs. IK/- per share was quoted by the bidders for demand of about 4.8 crore shares only. As GDR issue was launched with a mandate to sell upto 20 crore shares at a minimum price of Rs. 125/- per share, the issue was withdrawn, inter alia, on account of extremely low demand even at the price below the minimum approved price.

SHRI M. VENKAIAH NAIDU: Mr. Chairman, Sir, this matter was discussed yesterday, in this House.

MR. CHAIRMAN: But it is listed in today's question for oral answers.

SHRI VAYALAR RAVI: Mr. Chairman, Sir part (b) of my question was, "..the price fixed for the share and the details thereof;" When the Government of India fixed Rs. 70 per share, what was the domestic price per share? I would also like to know from the Minister : What were the compulsions for him to fix the price at Rs. 70 per share?

SHRI RAM NAIK: In February, 1999, the domestic price was Rs. 60 per share.

SHRI VAYALAR RAVI: Mr. Chairman, I was asking about the time of the sale of shares? What was the price, at that time?

SHRI RAM NAIK: Sir, the retail price of the GAIL's share on 4th November was Rs. 79. There is always a difference between the retail price and the wholesale price. In the domestic market, we could get only Rs. 79, which is the retail price. The big offer was Rs. 39.5 crores which was actually sold. So, there is a difference between the retail price in the domestic market and the GDR price... *(Interruptions)...*

SHRI KRISHNA KUMAR BIRLA: There is no retail price in the shares... *(Interruptions)...*

SHRI GURUDAS DAS GUPTA: What was the price in the Bombay Stock Exchange? In the Bombay Stock Exchange, only one price is quoted. There are no two prices, wholesale price and retail price. We are not purchasing fruits there. *(Interruptions)...*

SHRI RAM NAIK: Sir, I gave the figure, I gave the price in the Mumbai market, in the domestic market, on 4th November, which was Rs. 79/-. And I tried to explain the reasons for the difference. *(Interruptions)...*

SHRI VAYALAR RAVI: Sir, he has stated that the market was fluctuating and that is why the earlier price could not be quoted. How the market fluctuates depends on the fundamentals of the company. What are the fundamentals of this company? According to your own statement, the company had a total operating revenue of Rs. 6760 crores and the net profit after tax was Rs. 1060 crores. You say that in the case of a company making a profit of Rs. 1060 crores, the market is fluctuating downwards! The answer to part (c) of the question is, "As the price of shares fluctuate, there can be no linkage between price quoted by the bidders, two years ago, in 1997 and the market driven price ascertained in 1999". The fundamentals of the company were very strong. It had profits of Rs. 1060 crores. Naturally, the price would go up. At that time, the domestic prices was below Rs. 60/-. The hon. Minister admitted that at the time of sale, the price was Rs. 79/*. That means, it was Rs. 9/- more than the GDR price. It shows that there is something wrong. I would like to know, through you, Mr. Chairman, whether the hon. Minister will be

able to place the papers on the Table of the House. We want transparency. We want further things. Will the hon. Minister please tell us whether it had gone up or gone down? What was the fluctuation? Did it go up or go down? Secondly, would he please place on the Table of the House the two circulars, the Offer Circulars, one of 1997 and the other of 1999?

SHRI RAM NAIK: The question under part (d) of the main question was whether the Government had refused an earlier foreign offer of Rs. 115 per share. The reply to that was read out. Now, this price of Rs. 115 was two years ago. That was in 1997. Now, this is 1999. After two years, there would not be any relevance.

SHRI NILOTPAL BASU: Why don't you place the circulars on the Table of the House?

SHRI RAM NAIK: Why don't you listen to my reply? There cannot be any comparison with the prices which were in the market, GDR market, two years ago. The market goes on changing. I said it from that point of view. The price in the evening would be different from the price in the morning. Even the price in a day fluctuates! In two years, naturally, the prices have fluctuated. This is point No. 1.

Then the second point is this. He talks about the 1997 circular and the 1999 circular. If he gives me the exact details, there is no objection for me to lay them on the Table of the House. There is no objection from our side for laying the circulars on the Table of the House. But he should give precisely what circula'rs "they are.

SHRI NILOTPAL BASU: Offer Circulars. There will be an offering circular when a company goes out with a GDR issue. Those two Offering Circulars were prepared by the Government, in 1997 and 1999. An offering circular is the basic document for the issue. *(Interruptions)...*

SHRI M. VENKAIAH NAIDU: Mr. Chairman, Sir, I have a very serious submission to make. It is a very important question.

But, at the same time, there are other important question. Only 24 hours back this issue was discussed at length. Again we are discussing it. *(Interruptions)*...

SHRI NILOTPAL BASU: Still, he is giving such a reply.

SHRI MD. SALIM: This is the matter we pointed out yesterday. He did not answer the pointed question. Now also, he is trying to. *(Interruptions)*...

SHRI M. VENKAIAH NAIDU: It is question of 60 minutes. *(Interruptions)*...

SHRI MD. SALIM: Why are you preventing them from giving the answer? Why don't you allow him?

SHRI M. VENKAIAH NAIDU: Who am I to allow? It is the Chairman who has to allow. We believe in transparency. *(Interruptions)*...

SHRI VAYALAR RAVI: Where is the transparency?

SHRI M. VENKAIAH NAIDU: Sir, they are depriving other Members ...*(Interruptions)*...

SHRI T.N. CHATURVEDI: They are wasting the time of the House. ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: Don't make comments. ...*(Interruptions)*... Don't make comments; otherwise, I have to say that you have not read what he said in the House yesterday. The details were given in the House yesterday ...*(Interruptions)*... If you have not read it, read it. ...*(Interruptions)*...

SHRI MD. SALIM: Sir, he repeatedly asked what the share price in the Bombay market was, but the Minister refused ... *(Interruptions)*...

SHRI M. VENKAIAH NAIDU: Sir, I am not joining issue with them. ...*(Interruptions)*... My only plea is ...*(Interruptions)*... My only plea is, please give others a chance to put other questions also. Please keep that in mind, and I request that some other Members also have to ask qeustions. ...*(Interruptions)*... Sir, my suggestion is ...*(Interruptions)*... They are going on making a running commentary. ... *(Interruptions)*...

SHRI GURUDAS DAS GUPTA: Sir, it is the prerogative of the Chairman. ...*(Interruptions)*...

श्री संघ प्रिय गौतम : सभापति जी, मुझे एक बात कहनी है कि पहले ये मंत्री जी को उत्तर तो दे लेने दें । ये उत्तर सुनते नहीं है, बीच में हस्तक्षेप करतें रहतें हैं और पूरी बात नहीं कहने देते । ये सब से बड़ी बीमारी है इन की, इस बीमारी का इलाज कराइए ।

SHRI GURUDAS DAS GUPTA: Sir, I am submitting to you ...*(Interruptions)*... Sir, most respectfully, I submit to you that these questions are to be raised ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: Sir, I am making a plea to you. My only request to the Chairman is, have a further inquiry, and please see to it that such things do not recur. This is my only plea. ...*(Interruptions)*... I am not joining issue with them. I am not objecting to their question. My only request to the Chairman is, please see to it that such things do not happen in future because other Members are getting deprived of their chance. Already 40 minutes are over. We are on the third question.

SHRI GURUDAS DAS GUPTA: Sir, it is the prerogative of the Chairman. ...*(Interruptions)*...

MR. CHAIRMAN: Please sit down. ...*(Interruptions)*... Sit down. The point is, Mr. Venkaiah Naidu has raised a very reasonable point. ...*(Interruptions)*... Please let me say ...*(Interruptions)*... You don't allow me even to say something. Once the questions are on the question list, the Chairman cannot ignore those questions, and the Calling Attention was discussed because a notice was given during this Session, and then the Minister also agreed to it. So they have to be taken separately, as has been done in the last 50 years. Now the question is, only the first Member, Mr. Vayalar Ravi, has started asking, and I have yet to call Mr. Malkani. Yes, Mr. Malkani.

SHRI K.R. MALKANI: Mr. Chairman, Sir, I would only like to draw the attention of the hon. Minister to part (d) of the reply. In 1997, more than two years back, we offered these shares to sell at a minimum price of Rs. 125/-, and when we are offered only Rs. *1W*-vve refuse to sell any. The answer says: "As GDR issue was launched with a mandate to sell 20 crore shares..." Was it a mandate from heaven? If there was no market for that many, we should have sold

three-and-a-half crore shares for whatever they are worth. My only question to the Minister is: Would you like to go into the old files and the old notings and let us know as to why this kind of thing had happened? When we were getting Rs. *1W-,* at that time we did not sell. And this Government has agreed to sell just for Rs. *W-*\ Will the hon. Minister go into the matter and take the House into confidence?

SHRI RAM NAIK: Sir, I will certainly examine. I have already examined it, and since the shares were not sold there at that time, the country had got Rs. 240 crores less. If they had been sold at that time, the price which we had realised would have been Rs. 240 crores more. That was the loss we had incurred since that decision was not taken in 1997. Sir, the earlier Governments were not taking the decision. Now these people are asking us to withdraw. Withdrawing the offer in the international market is not good for us. If you go to the market, you must sell it...*(Interruptions)*... Now withdrawing it again would not be proper at all. From that point of view, I will reexamine. I will re-examine the file as to why it was not sold in 1997 and whether the loss of Rs. 240 crores could have been avoided.

SHRI K. R. MALKANI: Does this loss also include the interest? ...*(Interruptions)....,* Does the loss of Rs. 240 crores include the interest or not? Please calculate the interest also.

SHRI RAM NAIK: I will do it, Sir.

श्री अमर सिंह : माननीय सभापति महोदय, धन्यवाद । माननीय मंत्री जी ने सदन में खुदरा और थोक भाव की चर्चा की और बीएसई का रेट बताया, उसके लिए बहुत बहुत धन्यवाद । लेकिन, मेरा एक प्रश्न यह है कि क्या भारतीय निवेशकर्ता 350/- रूपए प्रति शेयर इसमें डिसइन्वेस्टमेंट देने के लिए तैयार थे ? और अगर ऐसा ऑफर है तो भारतीय डोमेस्टिक इन्वेस्टर्स के मुकाबले विदेशी मल्टीनेशनल कंपनी एनरोन और ब्रिटिश गैस के प्रति सरकार का क्या अनुराग है ?

श्री राम नाईक : माननीय सभापति जी, खुदरा और थोक, इसमें अंतर तो रहता है । खुदरा यानि रिटेल, मेरी हिन्दी इतनी अच्छी नहीं है लेकिन इतना तो समझता हूं, उसमें अंतर रहना तो स्वाभाविक है- हमने यह कोशिश की थी फरवरी, 1999 में कि चलों, पहले हमें जो डिसइन्वेस्टमेंट करना है वह डोमेस्टिक मार्केट में करें और इसलिए 8 करोड़ के शेयर्स हमने डोमेस्टिक मार्केट में सेल के लिए आफर किए । उसमें से केवल हम 3 करोड़ के शेयर्स की बेच

पाए । इसका मतलब डोमोस्टिक मार्केट में, जो यहां के इन्वेस्टर्स हैं, उनके पास कोई भी कारण हो, जितना पैसा होना चहिए उतना पैसा नही था और इसलिए हम फिर जीडीआर मार्केट मे गए । दूसरी बात जो कही गई, यह कि हमने एनरोन और ब्रिटिश गैस के शेयर क्यों बेचें ? मैने जैसा कहा, यहां स्वदेश में जितने परचेजर्स खरीददार आने चाहिए थे उतने नहीं आए । मैं यह भी यहां स्पष्ट कर दूं कि एनरोन, जिसने शेयर परचेज किए हैं वह जिनको आमतौर पर आप एनरोन समझतें है, एनरोन एंड कंपनी, वह नहीं है बल्कि उनका एक इन्वेस्टमेंट आर्म है, सिस्टर कनसर्न है और मैं उसमें कोई बड़ा अंतर करना नहीं चाहता हूं । It is a sister concern, and in future they can sell their shares to Enron, और ब्रिटिश गैस को केवल हमने 1.5 से थोड़ा कम शेयर बेचे हैं टोटल इक्विटी के । इसका मतलब दोनों को मिलाकर केवल साढ़े 6 परसेंट शेयर दिए हैं और साढ़े 6 परसेंट इनको बेचने के कारण मैनेजमेंट में इनको कोई अधिकार नहीं मिलता है । They did not get management rights. और इसलिए टोटल इक्विटी के साढ़े 6 परसेंट शेयर बेचने के कारण एनरोन और यह विदेशी कंपनी मार्केट में आए और जिन्होनें ज्यादा प्राइस ऑफर की, उनको हमने यह सेल किए है, बेचे हैं । इसलिए इस भूमिका में इन साढ़े 6 परसेंट शेयर बेचने के कारण हमको योग्य दाम मिलें हैं, लेकिन किसी भी कारण से उनको, जो मैनेजमेंट के राइट हैं या बोर्ड आफ डायरेक्टर में रिप्रजेण्टेशन मिलने की बात है, ऐसी कोई बात नहीं है । इसके कारण गेल के ...(**व्यवधान**)...

SHRI VAYALAR RAVI: Sir, in 1997 ....*(Interrutions).*

MR. CHAIRMAN: Again, if you are putting any question, I will not allow you.

श्री राम नाईक : सर, इसलिए मैनेजमेंट के जो अधिकार हैं, उस पर कोई भी बाधा इन साढ़े 6 परसेंट शेयर बेचने के कारण नहीं आती है ।

श्री अमर सिंह : सभापति जी, क्या मंत्री जी यह बता रहें हैं कि भारतीय निवेशकर्ता ज्यादा दाम देंगे तो उनको आप विदेशियों के मुकाबले प्राथमिकता देंगे ?

श्री राम नाईक : सर, मैनें यह कहा कि हम पहले भारतीय निवेशकों के पास गए और जाने के बाद 60/- रूपए से ज्यादा रेट हमको मिला नहीं और इसलिए हम विदेश में गए ।

SHRI JANARDHANA POOJARY: I can understand the plight of the Minister. The Minister has recently taken charge of the Ministry. Unfortuinately, even though he has been briefed by the officer, he has not applied his mind. *(Interruptions).* The price was Rs. 117/-per

share. At that time, they did not think it proper to sell at the rate of Rs. 117/- because they wanted more than that price. This company is the pride of the nation. This is one of the Navaratnas of the country. Sir, when they did not want to sell at Rs. 117/-and they wanted to get more price for their share, why are they selling them now at the rate of Rs. 70/- to some of the companies? *(Interruptions)*

MR. CHAIRMAN: That is all right.

SHRI JANARDHANA POOJARY: The point is this. There is a scandal here. I am not attributing anything to the hon. Minister. But something is wrong somewhere. Now, we have to put a question here. I would like to know whether the hon. Minister is prepared to consider setting up a Parliamentary Committee to probe into the matter.

SHRI RAM NAIK: Sir, first, let me say that for any reply to any question, briefing is necessary from the officers. So, I have taken the brief. But I have applied my mind. I don't know what he was doing earlier. But I have applied my mind and it is on the basis of that I am replying. Now, I deny the charge that there has been a scandal. Everything is transpatent. All information has been put before the House. Yesterday we discussed it for three hours. Whatever information was sought for I had given it when the matter was discussed for three hours. Now also I am giving the information. लेकिन एक बात यह रह ही जाती है कि शक का कोई इलाज नहीं है मेरे पास। कल भी मैनें कहा, आज भी मैं कहता हूं कि आपके शक का मेरे पास कोई इलाज नहीं है ।

*165. *[The Questioners (Shri Gaya Singh and Shri J. Chitharanjan) were absent. For answer vide ....infra.]*

*166. *[The Questioner (Shri P. Prabhakar Reddy) was absent. For answer vide page... infra.]*

MR. CHAIRMAN: Q. No. 167